City of Culver City

Staff Report

File #: 27-214, **Version:** 1 **Item #:** A-3

(1) Approval of the Measure CC, Measure C, and Measure CL Sales Tax Status Report (FY26, Q3) for Transmittal to City Council, and (2) Approval of the Real Property Transfer Tax Status Report (FY26, Q4) for Transmittal to City Council.

Meeting Date: August 12, 2026

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Fiscal Impact: Yes [] No [X] **General Fund:** Yes [] No [X]

Public Hearing: [] **Action Item:** [] **Attachments:** [X]

Public Notification: (Email) Meetings and Agendas - Finance Advisory Committee (08/06/2026)

Departmental Approval: Punit Chokshi, Sr. Management Analyst (08/06/2026)

RECOMMENDATION

Staff recommends the Finance Advisory Committee (FAC) approve the Measure CC, Measure C, and Measure CL Sales Tax Status Reports (Fiscal Year 2025-2026, Third Quarter) and Real Property Transfer Tax Status Report (Fiscal Year 2025-2026, Fourth Quarter) for transmittal to City Council.

BACKGROUND/DISCUSSION

In November 2012, Culver City residents voted in support of Measure Y, a half-cent transaction and use tax to maintain critical City services for 10 years. In March 2020, Culver City voters approved ballot **Measure CC**, the continuation of the half-cent tax through 2033. As part of the FAC Work Plan, the Committee shall “provide quarterly reports to the City Council on Measure CC proceeds."

In November 2018, Culver City voters approved **Measure C** which imposed a local quarter-cent transaction and use tax to maintain the current level of public safety services, community programs, infrastructure maintenance, and other City services funded through the City’s General Fund. Measure C went into effect in April 2019 and will remain in effect until ended by voters. The ballot measure included the stipulation that, if passed, the FAC would provide quarterly reports of fund proceeds and expenditures to the City Council. The FAC Work Plan includes this requirement.

In August 2025, Culver City residents voted in support of **Measure CL**, a quarter-cent transactions

and use tax to maintain City Services funded through the City's General Fund. Measure CL went into effect in January 2026 and will remain in effect until ended by voters. As part of the FAC Work Plan, the Committee shall "provide quarterly reports to the City Council on Measure CL proceeds."

The FAC and staff have worked with the City's sales tax consultant, HdL Industries, to create Quarterly Reports for Measure CC, Measure C, and Measure CL to provide background information, identify top 25 sales tax producers, and show the cumulative totals received for each period.

Due to the timing of when the City receives the sales tax data from the California Department of Tax and Fee Administration (CDTFA), Measure CC and Measure C reports for review this period cover Fiscal Year 2025-2026, Third Quarter (January - March 2026).

The City's Measure CC and Measure C actual tax receipts increased by 2.8% and 3.3% respectively, from the same period in 2025. Measure CL went into effect in January 2026 and therefore does not have a past period for comparison in 2025. Some business groups increased from the same period in 2025 such as "building and construction" and "business and industry." Others, such as "food and drugs" and autos and transportation", declined and "general consumer goods" stayed flat. The "restaurant and hotels" increase was driven by expanded casual dining and higher menu prices. The "autos and transportation" group declined as a result of fewer new vehicle sales while "fuel and service stations" increased due to the spike in fuel prices. In comparison, sales tax for Los Angeles County increased 4.2% over the same period and the Southern California region was up 4.0%. The report for the **Third Quarter of Fiscal Year 2025-2026 (January - March 2026)** is provided as Attachment 1.

In addition to the quarterly review of Measures C, CC, and CL, the FAC has requested to review and transmit a **Real Property Transfer Tax Status Report** to the City Council. The Real Property Transfer Tax (RPTT) is a one-time tax imposed by the City when a property is sold in Culver City. RPTT revenues go into the General Fund and are used to provide services including but not limited to deferred maintenance of parks, facilities, and streets, services to address homelessness, and programs for seniors and youths.

RPTT payments are issued directly to the City from Los Angeles County. As a result, the reporting of RPTT data does not have the same delay as the sales tax data collected and administered by the State. The RPTT report for review this period covers the Fourth Quarter of Fiscal Year 2025-2026 (April - June 2026).

RPTT revenue ended the year with high returns as a result of a large commercial property sale. Considering low revenues in prior years and RPTT's unpredictability as a revenue source, staff initially projected annual revenues of $6 million in the Adopted Budget for Fiscal Year 2025-2026 but revised the projection to $9 million due to higher-than-expected early returns in the fiscal year as part of the midyear budget process. The City received $5,756,528 in RPPT during this period compared to $6,845,183 in 2025 and $970,246 in 2024. Prior to audit adjustments, the City collected $14,341,831 in fiscal year 2025-2026, exceeding the adjusted projection by $5.3 million. The report for the **Fourth Quarter of Fiscal Year 2025-2026 (April - June 2026)** is provided as Attachment 2.

ATTACHMENTS

1. 2026_08_12 ATT1 - Measures C, CC & CL Status Report Q3 FY26
2. 2026_08_12 ATT2 - Real Property Transfer Tax Status Report Q4 FY26

MOTION

That the Finance Advisory Committee:

1. Authorize transmittal of the Quarterly Status Reports (Measure C, CC, and Measure CL, and Real Property Transfer Tax) to the City Council